

**16<sup>th</sup>  
annual  
report**

**FOR THE YEAR ENDED  
31ST MARCH 2002**



**ASHIRWAD STEELS  
& INDUSTRIES LIMITED**

**ASHIRWAD STEELS & INDUSTRIES LTD.****BOARD OF DIRECTORS**

Puranmal Agarwal, *Chairman*  
 Dalbir Chhibbar, *Managing Director*  
 Suresh Kr. Agarwal, *Director*  
 Ashok Kumar, *Director*  
 Yudhbir Chhibbar, *Director*

**AUDITORS :**

M/s. Ashok Pradhan & Associates  
*Chartered Accountants*

**BANKERS :**

The Federal Bank Ltd., Jamshedpur  
 Allahabad Bank, Raigarh  
 State Bank of India, Kolkata  
 Citibank, Kolkata  
 State Bank of India, Raigarh

**REGISTERED OFFICE :**

1, Crooked Lane  
 Suite No. 8B, Ground Floor  
 Kolkata-700 069

**WORKS :**

1. Uluberia Industrial Growth Centre,  
 Uluberia, Howrah, West Bengal  
 (LPG Bottling Plant)
2. Village : Kishnapur  
 Near Urdana Check Post  
 Raigarh, Chhattisgarh  
 (LPG Bottling Plant)
3. Plot Nos A1 A3 A5 & A7 Phase - V  
 Adityapur Industrial Area  
 Gamharia, Jamshedpur  
 Jharkhand  
 (Sponge Iron Plant)

**REGISTRARS & TRANSFER AGENTS :**

Niche Technologies Pvt. Ltd.  
 C-444, Bagree Market,  
 71, B.R.B.B. Road, Kolkata-700 001  
 Ph. No. (033) 235 7271, Fax : (033) 220 9094  
 E-mail : nichetech@vsnl.net

**ASHIRWAD STEELS & INDUSTRIES LTD.**

**NOTICE**

Notice is hereby given that the 16th Annual General Meeting of the Company will be held at 1, Crooked Lane, Suite No. 8B, Kolkata-700 069 on Wednesday the 25th September, 2002 at 10.00 a.m. for the following purposes:-

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Director's Report and the Audited Balance Sheet as at 31st March, 2002 and Profit & Loss A/c. for the year ended on the date with the Auditors Report thereon.
2. To appoint Directors in place of Mr. Puranmal Agarwal and Mr. Yudhbir Chhibbar who retire by rotation and being eligible offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration.

Place : Kolkata

Dated : 19th July, 2002

By order of the Board

Regd. Office : 1, Crooked Lane, Suite No. 8B,  
Ground Floor, Kolkata-700 069

**Dalbir Chhibbar**  
Managing Director

**NOTES :**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the Company. The instrument of proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members of the Company will remain closed from Monday the 16th September, 2002 to Wednesday the 25th September, 2002 (both days inclusive)
3. Shareholders/Proxy holders are requested to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting place.
4. Members are requested to bring their copy of the Annual Report to the meeting.
5. Members are requested to notify immediately any change in their address to the Company or to its share transfer agents.
6. Pursuant to the newly enacted provisions of the Companies Act, 1956, members are informed that every holder of shares in a company may at any time nominate in the prescribed manner a person to whom his/her shares in the Company shall vest in the event of his/her death.
7. Pursuant to Section 205A(5) of the Companies Act, 1956 as amended by the Companies (Amendment) Act 1999, with effect from 31.10.98 any money transferred to the unpaid Dividend Account of the Company in pursuance of Section 205A (1) and the Application money which remain unpaid and unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to the investor Education and Protection Fund and no claim shall lie against the fund or the Company in respect of individual amount which remain unclaimed and unpaid for a period of 7 (seven) years from the date that they first became due for payment.

## DIRECTOR'S REPORT TO THE SHAREHOLDERS

Your Directors present their 16th Annual Report and Audited Statement of Accounts of your Company together with Auditors Report for the year ended 31st March 2002.

	Current year (31.3.2002) Rs.	Previous year (31.3.2001) Rs.
<b>FINANCIAL RESULTS :</b>		
Operating Profit before interest		
Depreciation and Taxation	2,44,81,064	1,19,87,120
Depreciation	42,28,832	43,33,297
Financial Charges	46,42,465	25,43,276
Profit before Taxation	1,56,09,767	51,10,547
<b>Provision for Taxation :</b>		
a. Current Income Tax	25,57,400	
b. Deferred Income Tax	32,65,893	
	58,23,293	12,47,000
Profit after Taxation	97,86,474	38,63,547
Add : Profit brought forward from last A/c.	1,08,26,963	69,63,416
Profit available for appropriation	2,06,13,437	1,08,26,963
Less : Transferred to General Reserve	1,00,00,000	
<b>APPROPRIATIONS :</b>		
Balance Carried forward	1,06,13,437	1,08,26,963

**AUDITORS :**

M/S Ashok Pradhan & Associates, Chartered Accountants, Auditors of the Company also retire at the conclusion of the ensuing General Meeting and they are eligible for re-appointment.

**PERSONNEL :**

No employee was in receipt of Salary exceeding the limits prescribed u/s 217(2A) of the Companies Act, 1956 and hence the Statement of Particulars of employees as required under that section is not applicable to your Company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.**

As regards the information required under Section 217(1) (e) of the Companies Act, 1958 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, your Directors give the following particulars to the extent applicable to your Company.

**(A) CONSERVATIONS OF ENERGY :**

The power requirement at Company's Gas Bottling Plant at Raigarh is very nominal as only bottling of Gas is being done. For Sponge Iron Plants, the Capacitor Panels of adequate size and number have been installed to save power.

**ASHIRWAD STEELS & INDUSTRIES LTD.****(B) TECHNOLOGY ABSORPTION :**

The Company is using in-house technology and expertise for its LPG Bottling Plants. The technology for manufacture of Sponge Iron was provided by an outside agency. The said technology is fully indigenous and is now well established. The Company has not made use of any imported technology for its products/plants so far.

**(C) FOREIGN EXCHANGE EARNINGS AND OUT - GO :**

During the year under review there was no earning or expense in foreign exchange.

The other informations pertaining to the above items are annexed hereto and form part of this Report.

**LISTING OF COMPANY SHARES & LISTING FEES :**

The Equity Share of the Company are listed at Kolkata, Mumbai & Delhi Stock Exchanges. The Company has paid the annual listing fees for the financial year 2001-2002 to all the Stock Exchanges, except Delhi Stock Exchange.

**SHARE REGISTRARS & TRANSFER AGENTS :**

Niche Technologies (P) Ltd. C-444, Bagree Market, 71, B.R.B.B. Road, Kolkata-700 001, Phone : 033 235 7270, 033-235 7271, Fax : 033-220 9094, E-mail : nichetech@vsnl.net

**DEPOSITORY DETAILS :**

1. Central Depository Services (India) Ltd. P. J. Towers (28th floor), Dalal Street, Fort, Mumbai-400 023.
2. M/s. National Securities Depository Limited, 4th floor, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013.

**OPERATIONS & FINANCIAL PERFORMANCE :**

The Financial Performance of your Company during the year under review has been quite good. The income from Operations/Turnover stood at Rs. 20.01 crores (previous year Rs. 13.30 crores). Your Directors are pleased to inform you that Company's 3rd Sponge Iron Kiln started Commercial Production from August 2001 with an annual installed capacity of 12,000 M.T. per annum. The Company has now three Sponge Iron Manufacturing Kilns and the total installed capacity of the plant is 36,000 M.T. per annum. The performance of the Sponge Iron Plant is quite satisfactory. Your Directors are now actively considering to set up either Induction Furnace and Steel Rolling Mill as forward integration projects or to go for further expansion by installing another Sponge Iron Manufacturing Plant. The operating profit before interest, depreciation and Income Tax for the year under review stood at Rs. 2.45 crores (previous year Rs. 1.19 crores). The net result for the year under review is a net profit of Rs. 97.86 lacs. (previous year Rs. 38.63 lacs). Your Directors are making all out efforts to further improve the financial performance of the Company.

The Company's LPG Bottling Plant at Uluberia, Howrah, West Bengal, has been leased out to M/s SHV Energy North East Ltd, against fixed monthly lease rent. The Company's LPG Bottling Plant at Raigarh is continuing operations despite various odds.

**DIVIDEND :**

To conserve resources for further growth of the business of the Company, your Directors do not recommend any dividend for the year under review.

**FIXED DEPOSIT :**

The Company has not accepted any deposits from the Public during the year.

**DIRECTORS :**

Mr. Puranmal Agarwal and Mr. Yudhbir Chhibbar retire by rotation from the Board and being eligible offer themselves for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed :—

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2002 on a going concern basis.

**DEMATERIALISATION OF SHARES :**

As per SEBI's direction the Company has signed tripartite agreements with these depositories and Registrars and Transfer Agents in November, 2000. Dematerialisation facility is now available. According to SEBI's guidelines trading in Deinat form has been made compulsory for all classes of investors. Therefore, it is in the interest of all the shareholders to convert their physical holdings into electronic holdings by dematerialisation.

**ACKNOWLEDGEMENT :**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the valued customers, suppliers and Shareholders during the year under review. Your Directors also wish to place on record their appreciation for the contribution of the employees at all levels.

Place : Kolkata  
Dated : 19th July, 2002

For and on behalf of the Board

P. M. AGARWAL

Chairman

Report Junction.com

**ASHIRWAD STEELS & INDUSTRIES LTD.****ANNEXURE TO DIRECTOR'S REPORT****FORM - A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****A. POWER AND FUEL CONSUMPTION :****Current Year  
2001-2002****Previous Year  
2000-2001****1. Electricity :****(a) Purchased**

Units

**5,10,164****3,75,388**

Total amount (Rupees)

**25,38,849****22,62,876**

Rate/Unit (Rupees)

**4.97****6.02\***

\*Unit Rate is higher as the

Power Bill includes demand charges

**(b) Own generation (D. G. Set)**

Units

**2,55,657****2,10,000**

Cost/Unit

**5.25****3.89****Note :**

The Company has not consumed or used furnace oil during the year under review. The Company's Sponge Iron Plant has, however, consumed a large quantity of Coal and the related quantitative figures are reflected in the financial accounts elsewhere. The quantity details are not being given here as Coal acts as a raw material for Sponge Iron Manufacturing and not as a fuel.

**B. CONSUMPTION OF ELECTRICITY PER UNIT OF PRODUCTION/BOTTLING OF GAS.****(i) Units consumed per Metric Ton**

of Hydrocarbon Gas / L P Gas bottled

**3.88****8.77****(ii) Units consumed per Metric Ton**

of Sponge Iron produced

**4.98****29.00****FORM-B****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION :****1. RESEARCH AND DEVELOPMENT :**

The Company has not so far carried out any major Research & Development work. The Company shall however undertake R & D work as and when required to improve the quality of its products. The Company has not incurred any expenditure on this account so far. The Company, however, has a full fledged laboratory at its Sponge Iron Plant for testing the quality of raw materials and also of the finished products.

**2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

Since no technology has been absorbed from outside, this item is not applicable to us. The Company, however, continues its efforts for upgradation of technology in order to improve the quality and reduce costs to the extent possible.

For and on behalf of the Board

Kolkata

Dated 19th July, 2002

**P. M. AGARWAL**

Chairman

**AUDITORS' REPORT**

To the Members of **Ashirwad Steels & Industries Ltd.**

We have audited the attached Balance Sheet of Ashirwad Steels & Industries Ltd. as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

**Further to our comments in the Annexure referred to above, we report that :**

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002, and
  - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

Report

For **ASHOK PRADHAN & ASSOCIATES**

Chartered Accountants

Place : Kolkata

S. K. Agarwal

Dated : 19th July, 2002

Partner